

## Message Text

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ACTION STR-07

INFO OCT-01 STRE-00 ISO-00 AGR-01 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05  
SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01  
DOE-15 AF-10 ARA-10 EA-10 EUR-12 NEA-10 OIC-02  
JUSE-00 IO-13 /169 W  
-----016450 141814Z /43

P 141733Z APR 78  
FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 8419  
INFO AMEMBASSY CANBERRA

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USMTN

STR FOR ACTION

STR PASS CODEL

E.O. 11652: N/A  
TAGS: MTN, ETRD, AS  
SUBJECT: AUSTRALIAN PROPOSED CODE OF CONDUCT ON EXPORT  
- SUBSIDIES ON PRIMARY PRODUCTS

REF: (A) GENEVA 5475

1. PER REFTTEL, TEXT OF AUSTRALIAN PROPOSED CODE OF  
CONDUCT ON EXPORT SUBSIDIES ON PRIMARY PRODUCTS  
PRESENTED TO AMB. STRAUSS BY AUSTRALIAN MINISTER  
GARLAND IS CONTAINED IN PARA 2 BELOW. IN FOLLOW-UP  
CONVERSATION WITH AUSTRALIAN DEL (SPENCER), SPENCER  
INDICATED THAT THEY WOULD LIKE TO DISCUSS THE PAPER,  
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AS WELL AS STATE OF PLAY IN THE INFORMAL SUBSIDIES/  
CVD DISCUSSIONS. AT THIS TIME THEY DO NOT HAVE  
PLANS FOR FORMALLY CIRCULATING THEIR PROPOSAL. U.S.  
MTN DEL'S INITIAL IMPRESSION OF THE PROPOSAL IS THAT IT  
HAS MANY ELEMENTS IN COMMON WITH U.S. THINKING ON THIS  
ISSUE. WOULD APPRECIATE WASHINGTON COMMENTS ON DRAFT  
AS SOON AS POSSIBLE.

2. TEXT: QUOTE:

PROPOSED CODE OF CONDUCT ON EXPORT SUBSIDIES ON PRIMARY PRODUCTS

THE INTENT OF THIS CODE IS TO SPELL OUT THE EXISTING LEGAL AND CONTRACTUAL OBLIGATIONS ON EXPORT SUBSIDIES ON PRIMARY PRODUCTS THAT GATT CONTRACTING PARTIES HAVE UNDER GATT ARTICLE XVI.

DEFINITION OF AN EXPORT SUBSIDY

2. AN EXPORT SUBSIDY ON A PRIMARY PRODUCT SHOULD BE DEFINED AS

"ANY SUBSIDY, INCLUDING ANY FORM OF INCOME OR PRICE SUPPORT, WHICH OPERATES DIRECTLY OR INDIRECTLY TO INCREASE EXPORTS OF ANY PRODUCT FROM ITS TERRITORY".

OBLIGATION TO NOTIFY

3. ON 1ST JANUARY EACH YEAR THE GATT SECRETARIAT SHALL BE NOTIFIED IN WRITING OF ALL EXPORT SUBSIDIES COMING WITHIN THE DEFINITION OF PARAGRAPH 1. THE NOTIFICATION SHALL COVER

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- (A) THE EXTENT AND NATURE OF THE SUBSIDISATION,
- (B) THE ESTIMATED EFFECT OF THE SUBSIDISATION ON THE QUANTITY EXPORTED FROM ITS TERRITORY, AND
- (C) THE CIRCUMSTANCES MAKING THE SUBSIDISATION NECESSARY.

APPOINTMENT OF A STANDING COMMITTEE ON EXPORT SUBSIDIES

4. A STANDING COMMITTEE ON EXPORT SUBSIDIES SHALL BE ESTABLISHED COMPOSED OF REPRESENTATIVES OF THOSE COUNTRIES ADHERING TO THE CODE. THE ROLE OF THIS COMMITTEE WOULD, INTER ALIA, BE TO REGULARLY REVIEW THE NOTIFICATIONS IN PARAGRAPH 3 ABOVE AND REPORT TO THE GATT CONTRACTING PARTIES - ESPECIALLY ON ITEM 3(B) ABOVE.

5. THE STANDING COMMITTEE WOULD EXAMINE AND MAKE RECOMMENDATIONS REGARDING COMPLAINTS AND DISPUTES.

6. THE STANDING COMMITTEE WOULD ALSO DEVELOP GUIDELINES AND RECEIVE ANY REPRESENTATIONS OR COMPLAINTS WITH

RESPECT TO THE OPERATION OF PARAGRAPH 4.

LIMITATIONS TO EXPORT SUBSIDIES ON PRIMARY PRODUCTS

7. (A) EXPORT SUBSIDIES, AS DEFINED IN PARAGRAPH 1,  
MAY NOT BE CONFERRED ON PRIMARY PRODUCTS UNLESS SUCH  
SUBSIDY

- (I) IS IN ACCORDANCE WITH PROVISIONS AGREED IN
  - MULTILATERAL INTERNATIONAL COMMODITY
  - AGREEMENTS; OR
  
  - (II) IS NOT USED IN SUCH A MANNER AS TO RESULT
  - IN THAT COUNTRY HAVING MORE THAN AN EQUITABLE
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- SHARE OF TRADE OF THAT PRODUCT EITHER GLOBALLY

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INFO OCT-01 AF-10 ARA-10 EA-10 EUR-12 NEA-10 IO-13  
ISO-00 STRE-00 OIC-02 AGR-01 CEA-01 CIAE-00  
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05  
SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01  
DOE-15 JUSE-00 /169 W

-----016498 141814Z /50

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- OR IN AN INDIVIDUAL COUNTRY MARKET.
- (B) THE STANDING COMMITTEE, ESTABLISHED IN PARAGRAPH 3 ABOVE, IS TO HEAR ANY COMPLAINTS FROM CONTRACTING PARTIES ABOUT BREACHES OF PARAGRAPH (A) ABOVE.
- (C) THE STANDING COMMITTEE SHALL EXAMINE SUCH COMPLAINTS FORTHWITH. IN DOING SO IT SHALL HAVE REGARD TO THE PROVISIONS OF ARTICLE XVI:3 REGARDING SHARES OF TRADE IN A "PREVIOUS REPRESENTATIVE PERIOD".
- (D) IF THE STANDING COMMITTEE FINDS THAT THE PARTY CONCERNED IS IN BREACH OF PARAGRAPH (A) ABOVE, IT SHOULD MAKE A RECOMMENDATION TO THAT PARTY TO LIMIT OR ELIMINATE THE SUBSIDISED EXPORTS IN QUESTION.

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- (E) IF THE CONTRACTING PARTY CONCERNED DOES NOT ACT ON SUCH A RECOMMENDATION THE PARTY OR PARTIES AFFECTED BY THE SUBSIDISATION
- (I) MAY IMPOSE COUNTERVAILING DUTIES ON IMPORTS
- OF THE AFFECTED PRODUCT FROM THE COUNTRY IN
- QUESTION,
- (II) MAY TAKE APPROPRIATE RETALIATORY MEASURES.

END QUOTE.

3. DRAFTED BY WALLAR. MCDONALD

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STANDARDS, EXPORT SUBSIDIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978GENEVA05679  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Litigation History:**  
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**Original Handling Restrictions:** n/a  
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**Original Previous Handling Restrictions:** n/a  
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**SAS ID:** 2964782  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** AUSTRALIAN PROPOSED CODE OF CONDUCT ON EXPORT - SUBSIDIES ON PRIMARY PRODUCTS  
**TAGS:** ETRD, AS, MTN  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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US Department of State  
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20 Mar 2014  
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